

HOUSE BILL No. 1604

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-24.

Synopsis: Venture capital tax credits. Increases the maximum amount of tax credits available under the venture capital investment tax credit for the provision of qualified investment capital to a particular qualified Indiana business to be the lesser of: (1) the total amount of qualified investment capital provided to the qualified business multiplied by 25%; or (2) \$1,500,000; for calendar years after 2015. Removes a provision that prohibits a taxpayer from being entitled to a credit for providing qualified investment capital to a qualified Indiana business after December 31, 2016. Increases the total amount of tax credits that may be approved by the Indiana economic development corporation for qualified investment capital from \$12,500,000 to \$15,000,000. Increases the amount of credit a taxpayer is entitled to equal 25% multiplied by the amount of the qualified investment capital. Provides that the credit is assignable.

Effective: July 1, 2015.

Smaltz, Ober

January 20, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1604

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-3.1-24-8, AS AMENDED BY P.L.172-2011,
2 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 8. (a) A certification provided under section 7 of
4 this chapter must include notice to the investors of the maximum
5 amount of tax credits available under this chapter for the provision of
6 qualified investment capital to the qualified Indiana business.
7 (b) For a calendar year ending before January 1, 2011, the maximum
8 amount of tax credits available under this chapter for the provision of
9 qualified investment capital to a particular qualified Indiana business
10 equals the lesser of:
11 (1) the total amount of qualified investment capital provided to
12 the qualified Indiana business in the calendar year, multiplied by
13 twenty percent (20%); or
14 (2) five hundred thousand dollars (\$500,000).
15 (c) For a calendar year beginning after December 31, 2010, **and**



before January 1, 2016, the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of the following:

(1) The total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty percent (20%).

(2) One million dollars (\$1,000,000).

(d) For a calendar year beginning after December 31, 2015, the maximum amount of tax credits available under this chapter for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of the following:

(1) The total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty-five percent (25%).

(2) One million five hundred thousand dollars (\$1,500,000).

SECTION 2. IC 6-3.1-24-9, AS AMENDED BY P.L.288-2013, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 9. ~~(a)~~ The total amount of tax credits that may be approved by the corporation under this chapter in a particular calendar year for qualified investment capital provided during that calendar year may not exceed ~~twelve~~ **fifteen** million ~~five hundred thousand~~ dollars ~~(\$12,500,000)~~. **(\$15,000,000)**. An amount of an unused credit carried over by a taxpayer from a previous calendar year may not be considered in determining the amount of proposed investments that the Indiana economic development corporation may certify under this chapter.

~~(b) Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for providing qualified investment capital to a qualified Indiana business after December 31, 2016. However, this subsection may not be construed to prevent a taxpayer from carrying over to a taxable year beginning after December 31, 2016, an unused tax credit attributable to an investment occurring before January 1, 2017.~~

SECTION 3. IC 6-3.1-24-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 10. Subject to sections 8 and 13 of this chapter, the amount of the credit to which a taxpayer is entitled under section 6 this chapter equals the product of:

(1) ~~twenty~~ **twenty-five** percent ~~(20%)~~; **(25%)**; multiplied by

(2) the amount of the qualified investment capital provided to a qualified Indiana business by the taxpayer in the taxable year.

SECTION 4. IC 6-3.1-24-12.5, AS AMENDED BY P.L.193-2005,



SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 12.5. (a) A taxpayer wishing to obtain a credit under this chapter must apply to the Indiana economic development corporation for a certification that the taxpayer's proposed investment plan would qualify for a credit under this chapter.

(b) The application required under subsection (a) must include:

- (1) the name and address of the taxpayer;
- (2) the name and address of each proposed recipient of the taxpayer's proposed investment;
- (3) the amount of the proposed investment;
- (4) a copy of the certification issued under section 7 of this chapter that the proposed recipient is a qualified Indiana business; and
- (5) any other information required by the Indiana economic development corporation.

(c) If the Indiana economic development corporation determines that:

- (1) the proposed investment would qualify the taxpayer for a credit under this chapter; and
- (2) the amount of the proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding ~~twelve~~ **fifteen** million ~~five hundred thousand~~ dollars ~~(\$12,500,000);~~ **(\$15,000,000);**

the corporation shall certify the taxpayer's proposed investment plan.

(d) To receive a credit under this chapter, the taxpayer must provide qualified investment capital to a qualified Indiana business according to the taxpayer's certified investment plan within two (2) years after the date on which the Indiana economic development corporation certifies the investment plan.

(e) Upon making the investment required under subsection (d), the taxpayer shall provide proof of the investment to the Indiana economic development corporation.

(f) Upon receiving proof of a taxpayer's investment under subsection (e), the Indiana economic development corporation shall issue the taxpayer a certificate indicating that the taxpayer has fulfilled the requirements of the corporation and that the taxpayer is entitled to a credit under this chapter.

(g) A taxpayer forfeits the right to a tax credit attributable to an investment certified under subsection (c) if the taxpayer fails to make the proposed investment within the period required under subsection (d).

SECTION 5. IC 6-3.1-24-13.5 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2015]: **Sec. 13.5. (a) A taxpayer may assign**
3 **any part of the credit to which the taxpayer is entitled under this**
4 **chapter to another taxpayer. A credit that is assigned under this**
5 **subsection remains subject to this chapter.**
6 (b) An assignment under subsection (a) must be in writing and
7 both the taxpayer and the other taxpayer must report the
8 assignment on their state tax return for the year in which the
9 assignment is made, in the manner prescribed by the department.
10 The taxpayer shall not receive value in connection with the
11 assignment under subsection (a) that exceeds the value of the part
12 of the credit assigned.

